

SUITS – Arbitration - Settlement of claims by way of conciliation as ordered by Hon'ble Court on Dt.6.7.2007 – Execution of work of providing lining to bed and side slopes of Darsi Branch Canal from Km.10.561 to 10.963 awarded to Sri V. Sambhi Reddy & Company contractors vide L.S.Agreement No.21 SE/82-83 of S.E., N.S.Right Canals Circle, Karampudi, dated 03-06-1982 – Sanction of an amount of Rs.6,52,812/- for full and final settlement – orders – Issued.

G.O.Ms.No. 73

1. From M/s. Vanga Sambhi Reddy and Co., Contractors rep. by its Managing Partner, R/o. Munnangi Village & Post, Kollipara Mandal, Guntur District, representation dated 22.2.2008.
2. G.O.Rt.No.103, I & CAD (ARB) Dept., dated 24-01-2008.
3. Govt.Memo.No.6057/ (ARB/08, dt.27-03-2008.
4. From the ENC, Med.Irrgn., Hyd., Lr.No.ENC/Med/ DCE.III/OT1/08-1 dated 02-05-2008& 01.07.2008.
5. From the C.E, NS Project, Guntur, Lr.No.CE/NSP/C.O /GNT/OT2/ AEE-1/ 4187/87, dt. 14.05.08 & 10-07-2008.

ORDER:

Sri Vanga Sambi Reddy, Managing Partner, of M/s.Vanga Sambi Reddy & Company Contractors in the reference first read above, has stated that the work of providing lining to bed and side slopes of Darsi Branch Canal from Km.10.561 to Km.10.963 was awarded to him vide Agt.No.21/SE/1982-83, dt.03.06.1982. At the time of execution of works certain disputes were arisen between the Government and the Contractor and referred to the Sole Arbitrator based on the orders of the Subordinate Judge, Markapur in O.P.No.76/86, dated 03-03-1991. After having heard both sides and after examination of the material available on records the learned arbitrator decided the matter and granted award on 26-06-1991. The petitioner i.e., Sri Vanga Sambi Reddy and Co., contractor was filed O.S.No.81/91 before Sub-Ordinate Judge, Markapur U/s.17 of Arbitration Act to pass a Decree for Rs.6,85,100/- and subsequent interest @ Rs.15% p.a. and costs based on the award passed by Sole Arbitrator. The above said Court on 28.02.1994 decreed the suit in favour of the Contractors and OP.No.69/91 filed by the Govt. against the award of the Arbitrator was dismissed.

2. Sri Vanga Sambi Reddy has also stated that the Govt. has filed CRP.No.3162/94 against the decree and orders passed in O.S.No.81/91, Dt.28.2.94 on the file of the Court of Sub-ordinate Judge, Markapur and also field CMA.No.1116/98 against the order and decree passed in O.S.No.81/91 Dt.28.2.94 on the file of the Court of the Sub-ordinate Judge, Markapur before Hon'ble High Court of A.P. Based on the orders of Hon'ble High Court in CMP.No.3459/95 in CMP.No.13460/94 in CRP.No.3162/94 the Dept. has deposited Rs.3,00,000/-. The Hon'ble High Court after hearing the arguments along with similar batch of cases, a common judgement has been

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passed on 6.7.07. directing the petitioners that they should make a representation to the concerned Prl. Secy. within 3 weeks from the date of issue of the order i.e., 6.7.07. thereafter Prl. Secy. of the concerned Dept. shall conciliate with the party and try to settle the matter within the period of 3 months. The agency has therefore, requested the Government to settle their claims by way of conciliation.

3. In the reference third read above, based on the representation and as per the orders issued in G.O.Rt.No.103, I & CAD (ARB) Dept., dated 24-01-2008, the case has been referred to the Committee Constituted for Rayalaseema Region for conduct of conciliation/ negotiation with the contractor to effect the settlement.

4. In the reference 4<sup>th</sup> read above, the Engineer-in-Chief, Medium Irrigation and Chairman /Convenor of the Committee has reported that as no conciliation can be arrived at as the contractor has refused to negotiate on the amounts of award including the interest inbuilt in the award and also asking not to reduce the amount already paid from the principal payable to him, the Committee decided to refer the matter to CE, NSP to work out the financial implications as per the offer of the contractor and send proposal to the Government to take a decision. In his letter dated 14-05-2008, in the reference 5<sup>th</sup> read above, the C.E., N.S.P., Camp Office, Guntur has stated that if the Department is accepted the offer given by the contractor there will be savings of Rs.2,89,268/- and referred the matter to Govt. for necessary orders.

5. In compliance of the common directions of the Hon'ble High Court of Andhra Pradesh dt.06.07.2007, the Prl. Secy. to Govt. I & CAD (ARB) Department has conducted final conciliation on 30-06-2008 with the Contractor. Finally, the Contractor has agreed for a consideration of an amount of Rs.6,52,812/- as full and final settlement of the claim in respect of the above work. The Contractor has also furnished an affidavit (notary) in this regard. He has also declared that he will withdraw all his legal proceedings in Andhra Pradesh High Court or its representative Court, if the above amount including interest amounting to Rs.6,52,812/- is paid to him in token of settlement of the arbitration claims pending in courts in respect of the above work.

6. After careful examination of the matter, Government hereby sanction an amount of Rs.6,52,812/- (Rupees six lakhs fifty two thousand eight hundred and twelve only) towards full and final settlement payable to Sri Vanga Sambhi Reddy, Managing Partner of M/s.Vanga Sambhi Reddy & Company Contractors in respect of the work relating to providing lining to bed and side slopes of Darsi Branch Canal from Km.10.561 to Km.10.963 awarded to him vide Agt.No.21/SE/1982-83, dt.03.06.1982.

7. The above sanctioned amount shall be debited to the following Head of Account:

"MH - 2701 - 101 NSP - 01 MIC - GH - 11 Normal State Plan - SH 27  
C& D."

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8. This order issues with the concurrence of Finance (Works & Projects) Department Vide their U.O.No.5375/F2(1) /08-1, dated 15-01-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.P.TUCKER  
PRL.SECRETARY TO GOVERNMENT

To

The Chief Engineer, N.S.Project, Camp Office, Guntur.

The Pay & Accounts Officer, A.P., Hyderabad.

The Deputy Pay & Accounts Officer, Secretariat Branch, Hyderabad.

Sri Vanga Sambhi Reddy, Managing Partner, M/s.Vanga Sambhi Reddy  
& Company Contractors, R/o.Munnangi Village & Post,  
Kollipara Mandal, Guntur District.

Copy to:

The Engineer-in-Chief, Medium Irrigation, Hyderabad.

I & CAD (P&B) Department.

The Finance (W&P) Department. (with a request  
to release LOC for the sanctioned amount).

The Advocate General, High Court of A.P., High Court Buildings, Hyderabad.

The Government Pleader for Arbitration, High Court of A.P., Hyderabad.

S.F./SC.

//Forwarded::Byorder//

SECTION OFFICER